private sector companies in the exploration of oil and gas;

(b) if so, the details thereof; and

(c) by when Government propose to take final decision in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) The Working Group on the Petroleum sector for the formulation of IXth Five Year Plan has recommended the following major fiscal incentives to secure participation by the private sector in the exploration of oil & gas:—

(i) Reduction in cess/royalty.

(ii) Cess/Royalty to be made ad valorem of oil/gas price and not be a specific amount.

(iii) Withdrawal of customs duty on imports related to upstream operations.

(iv) Development of a special package for exploration in North-Eastern states.

(v) Exploration efforts to be treated at par with R & D , infrastructure etc. for giving tax incentives.

The recommendations of the Working Group from basis for the preparation of the ninth Plan document.

High Cost of Operation of Oil Companies.

593. SHRI YERRA NARAYANASWAMY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the high cost of operation of Indian Oil Corporation and other oil companies is partially responsible for the rising petrol prices;

(b) if so, the steps proposed to bring down the cost of operation of major public sector oil companies;

(c) whether any outside agency has been entrusted with the task of studying the costs of operation of major public sector oil companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (d) The major component of cost of production for petroleum products is the cost of crude oil and duties thereon. Continuous efforts are made by the oil companies/Govt. for ensuring cost control and economy in the expenditure by fixation of standard/norms and monitoring the actual performance vis-a-vis norms, for corrective action. As per the existing pricing mechanism, there is an inbuilt system of providing incentives/ disincentives for the oil companies to reduce their cost of production and only the normative costs of the refineries are reimbursed. All oil companies are continuously working on cost reduction methods on the basis of recommendations of inhouse studies and those by consultants.

New Oil Exploration Policy

594. SHRI AMAR SINGH: Will the PRIME MINISTER be pleased to state:

(a) whether Government have formulated new oil exploration Policy.

(b) if so, the details thereof; and

(c) if not, by when it is proposed to be formulated?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) No decision has so far been taken by the Government on changing the existing exploration licensing policy.

Reservation for Backward Classes for Allotment of Petroleum Pumps and Gas Agencies.

595. SHRI R. MARGABANDU: Will the PRIME MINISTER be pleased to state:

whether any reservation for Backward Classes is being followed in the allotment

of petrol/diesel outlets and LPG agencies in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): No, Sir.

LPG Distributors in Nalanda

596. SHRI RAJ NATH SINGH: Will the PRIME MINISTER be pleased to state:

(a) what is the number of LPG distributors in Nalanda District of Bihar;

(b) whether Government have assessed/propose to assess the requirements of Nalanda and its adjoining villages for setting up of LPG dealership at Nalanda;

(c) if so, the details thereof; and

(d) if not, the reasons therefor and by when Government propose to assess the same?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI T.R. BAALU): (a) At present, there are four LPG distributorships in Nalanda Distt. of Bihar.

(b) to (d) Instructions have been issued to the Oil Industry to carry out a market survey for opening of LPG distributorship at Nalanda, after taking into consideration the potential of the adjoining villages within 15 KM radius. This location will be included in the next LPG marketing plan provided it has adequate potential to sustain a commercially viable LPG distributorship.

Waiting List for LPG Connections of HPC

597. SHRI AKHILESH DAS: Will the PRIME MINISTER be pleased to state:

(a) what is the total number of applications pending with the Hindustan Petroleum Corporation for issue of LPG connections, as on date;

(b) what is the number of gas connections likely to be provided during 1997; and

(c) by when the remaining applications are likely to be cleared by the Corporation?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) As on 31.12.1996, Hindustan Petroleum Corporation Ltd. has a waiting list of 37,28,561 persons for release of LPG connections all over the country.

(b) and (c) LPG connections are released in a phased manner throughout the country depending upon the LPG availability, waiting list, slack available with the distributors and their viability. It may, therefore, not be possible to indicate a definite time frame for release of connections to the waitlisted persons.

Drilling Rigs of ONGC

598. SHRI JOY NADUKKARA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the ONGC had only 40 drilling rigs in 1982; if so, the number of wells dug per year by the ONGC using these rigs per year;

(b) the number of drilling rigs it owns at present and the progress in digging with the increase in the number of rigs;

(c) whether the ONGC was running at a profit in 1985; and

(d) what is its profit and loss position after 1985?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) and (b) As on 1.4.1982, ONGC had 44 drilling rigs (40 owned and 4 charter-hired). As on 1.2.1997 ONGC has 104 rigs (87 owned and 17 Charter-hired) operating in various basins of the country. The position about rigs availability and the wells drilled by